BOND FOR DEED SERVICE AGREEMENT



Escrow Services, Inc., hereinafter referred to as ESI, will serve as a neutral escrow agent to the Seller and Purchaser named in the corresponding bond for deed contract dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_on property located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, according to the following terms:

1. Payments should be made payable to “**ESCROW SERVICES, INC**. and sent to: **PO Box 1512, Mandeville, LA 70448**. Accounts may be set up for monthly electronic bank draft/direct deposit. CASH IS NOT ACCEPTED.
2. ALL PAYMENTS SHOULD BE MADE TO ESCROW SERVICES, INC. NO PAYMENTS SHOULD BE MADE DIRECTLY TO A MORTGAGE COMPANY/LENDER. ANY PAYMENT MADE DIRECTLY TO A MORTGAGE COMPANY/LENDER MAY RESULT IN AN ADDITIONAL SERVICE FEE.
3. Payments are due as indicated in the contract. The grace period expires at 5:00pm on the final day of the grace period (10 days if not specified in contract). ESI cannot amend due dates or grace periods without written direction from the SELLER.
4. In the event that any payment is not received by ESI within the Grace Period (10 days after the due date unless specified otherwise in contract), Purchaser shall pay Escrow Agent a collection fee in the amount of ten (10%) percent of the total payment due [5% collection fee to Escrow Agent & 5% late fee to lien holder(s) and/or Owner], plus any other charges assessed by lien holder(s).
5. The Grace Period applies to the assessment of collection fees and late fees, but does not extend the “Payment Due Date.” Payments received after the “Payment Due Date” are deemed late.
6. If payment is not received within the grace period ESI will send a late notice to the PURCHASER, with a copy to the SELLER.
7. Payments remitted by certified funds will be issued against immediately. Funds that are not certified, including personal checks, on line checks, and ACH drafts will be held for 5 business days prior todisbursement to ensure their collectability**.** PURCHASER is responsible for any late fees assessed by mortgagees regardless of the contract grace period.
8. The contract due date should be 15 days prior to the due date of any underlying mortgage. Appearers take cognizance off the fact that contract payments and underlying mortgage payments of even date may result in timely payment of the contract and payment of the mortgage beyond the mortgage due date. Upon execution of the contract any underlying mortgage must be current with no outstanding fees. Payments will be applied in the following order:
   1. Fees due to ESI
   2. Mortgage company principal & interest and escrow deposit
   3. Seller principal & interest
   4. Other charges & fees due mortgage holder
9. Partial payments may be refused. If accepted they will be held in suspense until the balance is received. An additional service fee will apply if a partial payment is accepted. Partial payments will not reduce the late fee.
10. ESI reserves the right to not re-deposit or re-draft returned items and require that said items be replaced with certified funds. A return item fee of $40.00 (subject to change) shall be charged on all returned items.
11. ESI will not disburse amounts greater than the amount collected from PURCHASER. ESI will not adjust payments monthly due to variable payments. For accounts of this type we recommend that additional funds be paid to cover the fluctuations.
12. Bond for Deed accounts will be in DEFAULT after 10 days if PURCHASER fails to remit timely payment for the scheduled payments due under the contract, property taxes, insurance or other assessments; or fails to maintain the property. THE SELLER SHALL AUTHORIZE ESI TO ISSUE A NOTICE OF DEFAULT TO INITIATE THE 45-DAY DEFAULT PERIOD. A fee of $75.00 (subject to change) will be assessed to PURCHASER for each Notice of Default.
13. If mortgage payments increase or decrease due to escrow adjustments, PURCHASER’S monthly payment for taxes and insurance ( if applicable per contract) shall be adjusted accordingly.
14. **SELLER IS RESPONSIBLE FOR ENSURING THAT ALL MORTGAGE COMPANY INFORMATION, INCLUDING BUT NOT LIMITED TO ANY CHANGE IN PAYMENT AMOUNTS, PAYMENT ADDRESS, LOAN NUMBER, OR MORTGAGE SERVICER, IS PROMPTLY PROVIDED TO ESI.**
15. If SELLER fails to provide ESI changes in mortgage account information and the monthly payment amount increases, neither ESI, nor PURCHASER (provided payments under the contract have been made on time), will be responsible for mortgage account delinquencies/late fees resulting from the payment adjustment. SELLER must resolve the issue with the lender INCLUDING ANY LATE FEES.
16. If the PURCHASER fails to make payment, the SELLER will become responsible for payment of monthly service fees and any costs owed to ESI, including any amount disbursed against returned items**.**
17. ESI shall not act as a collection agency or property manager**.** The service fee covers processing of monthly payments, one monthly late notice, annual reporting of interest paid/received, and maintenance of the escrow account if held by ESI. Other services are subject to additional charges as set forth in ESI’s schedule of fees.
18. In the event that ESI makes any payment in good faith, relying upon funds received from any party and should said funds be uncollected, then each party benefitting from the payments made by ESI is responsible in solido to reimburse ESI.
19. ESI shall not be liable for the acts or omissions of any other party.
20. Owner agrees to indemnify and hold harmless ESI against any and all actions, proceedings, claims and demands, threatened or otherwise brought by Purchaser of any third party against ESI in connection with, or in any way arising from, this Agreement. In addition, Owner shall pay any attorney’s fees, litigation costs and expenses which ESI may incur in carrying out its duties.
21. If ESI provides any special services, Owner or Purchaser will pay for them as required.
22. All outstanding fees must be paid before cancellation of this Service Agreement.
23. ESI may change its fees from time to time by sending a notice to Owner and/or Purchaser at least thirty (30) days before the changes go into effect.
24. ESI may assign the servicing to any person, firm or corporation.
25. ESI may resign from administration of this agreement with thirty (30) days written notice to Owner and Purchaser if: (a) Any fees due ESI remain unpaid for a period of ninety (90) days or more; or (b) ESI determines that it is unable to reasonably discharge the duties accepted herein due to lack of communication and/or cooperation of Owner and/or Purchaser.
26. Appearers understand and agree that any Power of Attorney, if applicable per contract, authorizing ESI to transfer title in this Agreement or any recorded memorandum of this Agreement is accepted gratuitously by ESI and that no fees set forth herein to ESI are paid for execution of this Power of Attorney. Accordingly, ESI may refuse to execute the Power of Attorney in its sole discretion upon written notice to Owner and Purchaser.
27. If this agreement is cancelled by either mutual cancellation of Owner and Purchaser or as a result of payment in full of this agreement, any funds held in escrow by ESI for payment of taxes, insurance, and other items pursuant to this agreement shall be remitted by ESI after payment of any outstanding fees due ESI to the party that paid such funds into escrow. If this agreement is cancelled by virtue of default for any reason, such funds paid into escrow shall be remitted by ESI to Owner, net of any unpaid fees due ESI, irrespective of which party paid such funds into escrow.

TAXES & INSURANCE

**FOR ACCOUNTS ESCROWED BY ESI** (NOT MORTGAGE COMPANY ESCROW ACCOUNTS): Tax/Insurance bills must be provided to our office in a timely manner for payment from the escrow account. ESI IS NOT RESPONSIBLE FOROBTAINING TAX BILLS OR INSURANCE INVOICES; however, ESI will obtain online tax bills from Orleans, Jefferson & St. Tammany Parishes if provided with the tax bill or assessment number. FUNDS WILL NOT BE ADVANCED FOR AMOUNTS GREATER THAN THE BALANCE IN THE ESCROW ACCOUNT.

**ONE YEAR INSURANCE SHOULD BE PAID UPON EXECUTION OF THE CONTRACT**. If payments are to be disbursed from the ESI escrow account prior to one year from the execution of the contact, additional funds must be paid into the account. ESI WILL DISBURSE ANNUAL PREMIUM PAYMENTS ONLY. ADDITIONAL FEES MAY BE ASSESSED IF MONTHLY OR QUARTERLY INSTALLMENTS ARE REQUIRED.

**FOR NON-ESCROWED ACCOUNTS**: Purchaser is responsible for obtaining tax bills directly from their taxing authority; insurance invoices from their insurance company, and bill for other assessments. Payments must be remitted directly to billing agency in a timely manner. Evidence of payment will be demanded only at Seller’s request.

**INSURANCE POLICIES MUST INCLUDE THE APPROPRIATE MORTGAGEE CLAUSE & LOAN #, SELLER’S** **NAME, AND PURCHASER’S NAME**. If Purchaser’s name is disallowed by the insurance company, ESI may be named in place of the Purchaser.

ESI DOES NOT CHANGE OR CANCEL INSURANCE POLICIES OR HANDLE ANY INSURANCE MATTERS OTHER THAN PAYMENT DISBURSEMENT, IF APPLICABLE. ALL INSURANCE ISSUES MUST BE HANDLED BETWEEN SELLER, PURCHASER AND INSURANCE AGENTS.

IF INSURANCE IS NOT ESCROWED BY ESI, OUR SOLE RESPONSIBILITY IS TO FORWARD CORRESPONDENCE RECEIVED FROM MORTGAGEE TO PURCHASER. If the loan is transferred to a new lender, the insured is responsible for notifying the insurance agent of the change.

THE UNDERSIGNED PARTIES UNDERSTAND AND AGREE TO THE ABOVE TERMS OF ESCROW SERVICES, INC., AND DESIGNATE ESCROW SERVICES, INC. AS ESCROW AGENT FOR THE ABOVE REFERENCED ACCOUNT.

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Seller Date Purchaser Date

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Seller Date Purchaser